

1 RODGER M. LANDAU (SBN 151456)  
rlandau@lgbfirm.com  
2 LANDAU GOTTFRIED & BERGER LLP  
1880 Century Park East, Suite 1101  
3 Los Angeles, California 90067  
Telephone: (310) 557-0050  
4 Facsimile: (310) 557-0056

5 Attorneys for Howard B. Grobstein,  
Liquidating Trustee  
6  
7

8 **UNITED STATES BANKRUPTCY COURT**  
9 **CENTRAL DISTRICT OF CALIFORNIA - SANTA ANA DIVISION**  
10

11 In re

12 SOLID LANDINGS BEHAVIORAL  
HEALTH, INC., *et al.*,

13 Debtors and  
14 Debtors-In-Possession.

Case No. 8:17-bk-12213-CB

Jointly Administered With Case No. 8:17-bk-  
12218; Case No. 8:17-bk-12221; Case No. 8:17-bk-  
12222; Case No. 8:17-bk-12223

Chapter 11

15 **FIFTH POST-CONFIRMATION STATUS**  
16 **REPORT**

- 17 ☐ Affects Cedar Creek Recovery, Inc. Only  
18 ☐ Affects EMS Toxicology Only  
19 ☐ Affects Silver Rock Recovery Only  
20 ☐ Affects Solid Landings Behavioral  
Health, Inc. Only  
☐ Affects Sure Haven, Inc. Only  
☒ Affects All Debtors

**Hearing Date and Time:**

Date: January 29, 2020

Time: 10:00 a.m.

Place: 411 West Fourth Street  
Courtroom 5D  
Santa Ana, CA 92701

**TO THE HONORABLE CATHERINE E. BAUER, UNITED STATES BANKRUPTCY  
JUDGE, THE OFFICE OF THE UNITED STATES TRUSTEE, AND POST-EFFECTIVE  
DATE NOTICE PARTIES:**

Howard B. Grobstein (the “Liquidating Trustee”), the Liquidating Trustee for the Liquidating Trust of Solid Landings Behavioral Health, Inc., et al., hereby submits this post-confirmation status report.

On March 22, 2018, the Court entered an order confirming the *Joint Plan of Liquidation of Solid Landings Behavioral Health, Inc., and Its Affiliated Debtors, and the Joint Committee of Creditors Holding Unsecured Claims in Solid Landings Behavioral Health, Inc., EMS Toxicology, and Sure Haven, Inc., Dated November 1, 2017* (the “Plan”) [Docket No. 401]. As such, pursuant to the Plan, the “Effective Date” of the Plan was April 9, 2018. On that date, the Liquidating Trustee was appointed to administer the Liquidating Trust.

**I. Payment of Administrative and Priority Claims**

Following the Effective Date, the Trustee made distributions to all holders of allowed priority claims and priority tax claims. There remains approximately \$119,000 in cash on hand.

Pursuant to the Plan, the Administrative Claims Bar Date was 30 days following the Effective Date. With the exception of professionals (discussed below), no entity filed an administrative claim by that deadline.

**II. Pre-Effective Date Professional Fee Claims**

On May 2, 2018, the Court held a hearing on the pre-Effective Date professional fee claims of the Levene Neale Bender Yoo & Brill, L.L.P. (Debtors’ counsel), Landau Gottfried & Berger LLP (Committee’s counsel); GGG Partners, LLC (Debtors’ CRO); and Lewis Brisbois Bisgaard & Smith LLP (Debtors’ special counsel). All applications were granted in full and have been paid as provided in the Court’s orders.

**III. The Contempt Motion Against the Former Shareholders and their Counsel**

On August 30, 2017, Steve Fennelly and Elizabeth Perry (the “Former Shareholders”) filed a Complaint against, inter alia, Gerik Degner, Alpine Pacific Capital, LLC (“Alpine”), and the Morgan Lewis law firm in the Superior Court of the State of California, County of Orange, case no.

1 30-2017-00900877-CU (“State Court Action”). The Liquidating Trustee informed the Former  
2 Shareholders that a substantial portion of the claims in the State Court Action belong to the  
3 Debtors’ estate, and requested that the Former Shareholders amend and/or withdraw the Complaint.  
4 Counsel for the Former Shareholders agreed to amend the Complaint, and the State Court Action  
5 was put on hold. Subsequently, the Liquidating Trustee and the Former Shareholders agreed, in  
6 principal, to a deal pursuant to which the Liquidating Trustee agreed to sell the Liquidating  
7 Trust/estate’s claims (other than avoidance actions) to the Former Shareholders in exchange for a  
8 percentage of any recoveries. The agreement was not consummated, and the Liquidating Trustee  
9 informed the Former Shareholders that any further pursuit of the State Court Action is a violation of  
10 the automatic stay and the orders of this Court.

11 On January 29, 2019, the Liquidating Trustee filed a motion for issuance of an order to  
12 show cause re contempt against the Former Shareholders and their counsel in the State Court  
13 Action, Herr Pedersen & Berglund LLP (the “Herr Firm”) [Docket No. 506]. On April 24, 2019,  
14 the Court held a hearing on the Liquidating Trustee’s motion.

15 Following that hearing, the Court entered an order granting the Liquidating Trustee’s  
16 motion [Docket No. 519] and an order to show cause (the “OSC”) [Docket No. 520] re contempt  
17 against the Former Shareholders and the Herr Firm. Among other things, the OSC required the  
18 Former Shareholders and the Herr Firm to dismiss the State Court Action. The Liquidating Trustee  
19 understands that the Former Shareholders dismissed the State Court Action (it is unclear whether  
20 the dismissal was “with prejudice” or “without prejudice”). Following issuance of the OSC, the  
21 Liquidating Trustee agreed to seek multiple continuances of the hearing on the OSC (subject, of  
22 course, to this Court’s approval) and to postpone seeking damages against the Former Shareholders,  
23 in exchange for the Former Shareholders’ assistance in the Liquidating Trustee’s pursuit of  
24 litigation on behalf of the Liquidating Trust.<sup>1</sup>

25 On December 2, 2019, the Liquidating Trustee entered into a stipulation with the Former  
26

---

27 <sup>1</sup> The Former Shareholders also have agreed not to file any lawsuit (based on any cause of action whatsoever) against  
28 the defendants in the State Court Action without seeking express authorization from the Liquidating Trustee.

1 Shareholders pursuant to which the Liquidating Trustee agreed to seek discharge of the OSC in  
2 exchange for the Former Shareholders' agreement to continue to provide information necessary for  
3 the Liquidating Trustee's pursuit of actions on behalf of the Liquidating Trust. [Docket No. 568.]  
4 On December 3, 2019, the Court entered an order approving the stipulation and discharging the  
5 OSC.

6 **IV. Potential Insider Litigation**

7 One of the assets of the Debtors' estate is potential litigation claims against the Debtors'  
8 former insiders, Alpine and Mr. Degner. The Liquidating Trustee and Alpine/Mr. Degner have  
9 entered into a tolling agreement (which expires on January 31, 2020) to provide the parties with an  
10 opportunity to resolve this potential litigation consensually and prior to the Liquidating Trustee's  
11 commencement of litigation. Although the parties attended a pre-litigation mediation before the  
12 Honorable Randall J. Newsome (Ret.) of JAMS in Los Angeles on November 13, 2019, and  
13 continued to discuss settlement thereafter, the parties have been unable to reach a settlement to date.

14 In connection with the pursuit of the aforementioned claims against Alpine/Mr. Degner, the  
15 Liquidating Trustee has retained Landau Gottfried & Berger LLP as special litigation counsel on a  
16 contingency fee basis. On October 22, 2019, the Court entered an order approving the Liquidating  
17 Trustee's retention of Landau Gottfried & Berger LLP as special litigation counsel pursuant to the  
18 contingency fee arrangement described in the Liquidating Trustee's motion. [Docket No. 566.]

19 **V. Avoidance Actions**

20 On May 31, 2019, the Liquidating Trustee filed nine adversary proceedings against nine  
21 separate defendants in this Court, seeking avoidance and recovery of hundreds of thousands of  
22 dollars in pre-petition preferential transfers made by the Debtors. The Liquidating Trustee has  
23 resolved all but one of those adversary proceedings.

24 ///

25 ///

26 ///

27

28

1           **VI.    Conclusion**

2           Based on the foregoing, the Liquidating Trustee respectfully requests that the Court  
3 continue the post-confirmation status conference in this case for approximately 120 days. The  
4 Liquidating Trustee expects to seek a final decree closing these Chapter 11 cases prior to such  
5 continued status conference.

6  
7 Dated: January 21, 2020

LANDAU GOTTFRIED & BERGER LLP

8  
9                                   By: /s/ Rodger M. Landau  
10                                  RODGER M. LANDAU  
11                                  Attorneys for Howard B. Grobstein,  
12                                  Liquidating Trustee  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

LANDAU GOTTFRIED & BERGER LLP  
ATTORNEYS AT LAW  
LOS ANGELES, CALIFORNIA

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
**LANDAU GOTTFRIED & BERGER LLP, 1880 Century Park East, Suite 1101, Los Angeles, CA 90067.**

A true and correct copy of the foregoing document entitled (*specify*): **Fifth Post-Confirmation Status Report** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) **January 21, 2020**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On (*date*) **January 21, 2020**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

**Honorable Catherine E. Bauer**  
United States Bankruptcy Court  
Central District of California  
Ronald Reagan Federal Building and Courthouse  
411 West Fourth Street, Suite 5165  
Courtroom 5D  
Santa Ana, CA 92701-4593

**Susan Goodman**  
Mesch Clark Rothschild  
259 North Meyer Avenue  
Tucson, AZ 85701

**Travis Easton**  
Easton & Easton  
750 Town Center Dr. Ste 1850  
Costa Mesa, CA 92626

**Levene, Neale Bender Rankin & Brill LLP**  
10250 Constellation Blvd Ste 1700  
Los Angeles, CA 90067

☐ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) \_\_\_\_\_ I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

January 21, 2020  
Date

Anastasia Vedrova  
Printed Name

/s/ Anastasia Vedrova  
Signature

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF) (continued):**

- **Franklin C Adams** franklin.adams@bbklaw.com, arthur.johnston@bbklaw.com;lisa.spencer@bbklaw.com
- **Bret D. Allen** ca.ecf@bretallen.com, bankruptcy@theallenlawfirm.com
- **Adam N Barasch** anb@severson.com, cas@severson.com;nye@severson.com
- **Joseph Corrigan** Bankruptcy2@ironmountain.com
- **Jennifer Witherell Crastz** jcrastz@hrhlaw.com
- **Christine R Etheridge** christine.etheridge@ikonfin.com
- **Nathan Fransen** nfransen@fransenandmolinaro.com, deforest@fmattorney.com
- **Thomas M Gaa** tgaa@bbslaw.com
- **Jeffrey K Garfinkle** jgarfinkle@buchalter.com, docket@buchalter.com;dcyrankowski@buchalter.com
- **Nancy S Goldenberg** nancy.goldenberg@usdoj.gov
- **Michael I. Gottfried** mgottfried@elkinskalt.com
- **Mirco J Haag** mhaag@buchalter.com, dcyrankowski@buchalter.com;docket@buchalter.com
- **Mark S Horoupian** mhoroupian@sulmeyerlaw.com, dwalker@sulmeyerlaw.com;mhoroupian@ecf.inforuptcy.com
- **Tae-Yoon Kim** tae.kim@cellinoandbarnes.com
- **Stuart I Koenig** Skoenig@leechtishman.com, sfrey@leechtishman.com;jabrams@leechtishman.com
- **Scott A Kron** scott@kronandcard.com
- **Jeffrey S Kwong** jsk@lnbyb.com, jsk@ecf.inforuptcy.com
- **Mohammed Lala** mohammed.lala@aissolution.com
- **William K Mills** mills@parkermillsllp.com, sally@parkermillsllp.com
- **Randall P Mroczynski** randym@cookseylaw.com
- **David L. Neale** dln@lnbyb.com
- **Queenie K Ng** queenie.k.ng@usdoj.gov
- **Juliet Y Oh** jyo@lnbrb.com, jyo@lnbrb.com
- **Dipika Parmar** dipika.parmar@aissolution.com
- **Christopher O Rivas** crivas@reedsmith.com, chris-rivas-8658@ecf.pacerpro.com
- **David M Samuels** david.samuels@lewisbrisbois.com, robin.nash-dankwa@lewisbrisbois.com
- **Shawn Shaffie** shaffie@parkermillsllp.com, rodriguez@parkermillsllp.com
- **Paul R Shankman** pshankman@jhindsllaw.com, mduran@jhindsllaw.com
- **Valerie Smith** claims@recoverycorp.com
- **Randy B Soref** rsoref@polsinelli.com, ccripe@polsinelli.com;ladocketing@polsinelli.com
- **Eugenia L Steele** , EUGLYNN@ME.COM
- **Cathy Ta** cta@sulmeyerlaw.com, dperez@sulmeyerlaw.com;cblaire@sulmeyerlaw.com
- **United States Trustee (SA)** ustprejon16.sa.ecf@usdoj.gov
- **Michael D Vanlochem** janguiano@vandc.net
- **Joseph M Welch** jwelch@buchalter.com, dcyrankowski@buchalter.com;docket@buchalter.com
- **S Christopher Yoo** cyoo@alvaradosmith.com, sstclair@alvaradosmith.com
- **Roye Zur** rzur@lgbfirm.com, srichmond@lgbfirm.com;vrichmond@lgbfirm.com;avedrova@lgbfirm.com